



FACTS ON FILE

WORLD NEWS DIGEST WITH INDEX

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WORLD AFFAIRS

MIDDLE EAST

Suez & Gaza Disputes

Egypt's Suez Memo. An Egyptian draft declaration on operation of the Suez Canal, presented to the U.S. & 7 other nations in Cairo Mar. 26, reasserted demands that the canal "be operated & managed by the autonomous [Egyptian] Suez Canal Authority." The draft text, never officially disclosed but published Mar. 28 by the "N.Y. Times," ignored Western proposals that (a) the waterway be insulated from the politics of any one nation; (b) any Suez settlement follow the lines of the 6 principles approved by the UN Security Council & accepted by Egypt [see Vol. XVI, p. 337B-C1], and (c) Israel be permitted to send ships through the canal.

The draft declaration pledged Egypt to "afford & maintain free & uninterrupted navigation [in the canal] for all nations in accordance with the Constantinople Convention of 1888" [see p. 86A-F1]. It agreed to settle "complaints of discrimination or violation of the Canal Code" by "reference to the [Egyptian] Suez Canal authority," which then "may" refer the dispute to arbitration. Compensation for canal nationalization would be by "arbitration in accordance with . . . international practice." Tolls would be kept at current rates, subject to negotiations or an annual 1% increase. Egypt would get 5% of gross canal receipts as "royalty" & pay 25% of the gross receipts into a Suez development fund. [See p. 86A-C3]

Nasser Vs. Israeli Ships. Egyptian Pres. Gamal Abdel Nasser told a group of U.S. newsmen Mar. 30 that Israeli use of the canal hinged on the Arab refugee problem. Nasser said: "That question must be solved as a whole. The [U.S.] is talking about freedom of navigation, but not a word about [the] refugees." Egypt would not agree "to deal only with Israeli rights." Nasser said that although Egyptians wanted friendship with the U.S., the U.S. had refused to sell

Egypt food while the USSR had sent 600,000 tons of wheat to Egypt in the past year. [See p. 86G2; Vol. XVI, 322C3, 280G2]

(Israeli Forgn. Ministry spokesmen said in Jerusalem Mar. 31 that there was "absolutely no connection between these 2 issues. . . . But Israel will begin discussions [on the refugees] at any time the Arab states want to." The Israelis stressed that "we still believe it cannot be solved without resettling these people in other Arab nations. It would be impossible . . . to bring them back to Israel." The statement pledged that "if a plan is ever evolved to resettle these unfortunates elsewhere, Israel will be willing to compensate them for their property & to help them relocate where they can earn a living.") [See p. 25B-E1]

U.S. on Egyptian Memo. A U.S. note, transmitted to Egypt Mar. 31 by U.S. Amb. Raymond A. Hare, indicated opposition to the Egyptian draft declaration & contained suggestions for its modification to conform with Western demands. The U.S. reply followed talks in Washington Mar. 27-29 among State Secy. John Foster Dulles, British & other Western envoys. The U.S. convened Mar. 31 in Washington a meeting of the Suez Canal Users Assn. Executive Com. to discuss the Suez negotiations. (Egypt answered the U.S. note Apr. 2 in what the State Dept. termed a "preliminary response" to Western conditions for a settlement.)

(The State Dept. Apr. 1 removed restrictions on travel by U.S. citizens in Israel, Egypt, Jordan & Syria. It authorized U.S. officials & their dependents to return to their posts in the 4 countries [see Vol. XVI, p. 363A1]. Dep. State Undersecy. C. Douglas Dillon Mar. 28 cautioned representatives of the U.S. shipping industry against sending U.S. vessels through the canal until physical and legal hazards were "fully removed.")

(British Prime Min. Harold Macmillan told the House of Commons Apr. 1 that British shippers had been instructed to continue bypassing the canal. Macmillan, who termed the Egyptian draft declaration an "unsatisfactory document," said Britain & the U.S. would reject any Suez plan that did not conform to the "6 principles" [see Vol. XVI, p. 337D1]. He asserted that the U.S. was taking a "positive & leading" role in negotiations with Egypt. [See p. 93F2]

(An anti-American resolution introduced in the House of Commons in Nov. 1956 & signed by 126 Conservatives, 10 of whom later disavowed their stand, was withdrawn Apr. 1

Week in Headlines

International

Egypt reasserted claim to sole management of Suez Canal.

U.S. State Secy. Dulles denied assertions that he withdrew Aswan aid to force showdown with USSR.

USSR charged Bermuda Conf. chose A-war course. Reds offered A-test ban; U.S. asked A-data exchange.

Soviets warned Scandinavians against giving NATO A-bases.

Iranian Premier Ala resigned after murder of U.S. aid officials.

British released Cypriot Archbishop Makarios from exile.

United States

Eisenhower defended budget, proposed Presidential disability law. Texans elected Democrat to U.S. Senate.

Teamsters Union Pres. Beck suspended as AFL-CIO vice pres. & council member.

Corporation & excise tax rates extended for 15 months.

following a report by Macmillan on his Bermuda talks with Pres. Eisenhower.) [See Vol. XVI, pp. 402B1, 393D-F3]

Dulles Warns Egypt. State Secy. Dulles told his Apr. 2 press conference that "a great deal of the future of Egypt" depended on the Egyptian reply to U.S. requests for modification of its Suez Canal draft declaration. He said the draft "fell short" of meeting Western requirements for canal operations, largely because it was "a unilateral statement subject to unilateral change at any time." He conceded that "minor changes" could "bring it in conformity with the 6 requirements," which implied "very clearly" an "organization of the users to deal with Egypt." [See pp. 63E1, 11C1]

Dulles conceded that the U.S. had "no evidence" that Egypt would permit Israeli vessels to use the canal but reiterated the stand of U.S. & Israeli leaders that "every country has a right to send its ships & cargoes through the Suez Canal." The U.S. would permit its shippers to continue to pay canal tolls directly to Egypt, he said, but Egyptian assets in the U.S. would be held to indemnify them against possible suits by the former Universal Suez Canal Co. He asserted that the U.S. has "no pressures to bring to bear [on Egypt] in terms of military threats or boycotts of the canal." [See Vol. XVI, p. 322A-E1]

Aswan Controversy. A biography of Dulles (published Apr. 1) by John Robinson Beal, "Time" magazine State Dept. correspondent, termed Dulles' July 19, 1956 withdrawal of aid for Egypt's planned \$1.3 billion Aswan High Dam project "a truly major gambit in the 'cold war,'" designed to "expose the shallow character of Russia's foreign economic

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pretensions." Beal said the withdrawal had been conceived after Nasser's "accumulated unfriendly gestures" toward the U.S. & his hints of Russian aid for the dam project. It was, he wrote, a move "on a grand scale, comparable in the sphere of diplomacy to the calculated risks of war taken in Korea & Formosa." It showed at what point U.S. "tolerance must give way to firmness." [See Vol. XVI, pp. 242C2-243E1, 17B1-18D1]

Queried by newsmen on the truth of Beal's explanation of motives behind the Aswan aid withdrawal, Dulles said Apr. 2 that the question "could be answered in the negative." He said there were "a number of reasons" for "our declining to go ahead with the Aswan proposal," among them: (a) Senate Appropriations Com. opposition to use of 1957 aid funds for the dam [see Vol. XVI, p. 237D-F1]; (b) Egypt's apparent inability to mount the "gigantic effort" & "austerity program" needed for construction of the dam "over a period of 12 to 15 years"; (c) the burden on the Egyptian people, which could bring dislike "on the foreign lenders." [See p. 78B3]

Dulles blamed Egypt's "ever-closer relations with the Soviet-bloc countries" for forcing the U.S. to decide whether "nations which play both sides get better treatment than nations which are stalwart & work with us." He said "stalwart allies were watching very carefully to see what that answer would be; stalwart allies which included some in the same area." Dulles conceded that "we did not expect [Egypt's nationalization of the Suez Canal Co.], although we know now that the seizure . . . had been planned for some time."

(Sen. Hubert H. Humphrey [D., Minn.] urged Apr. 1 that Dulles be called before the Senate Forgn. Relations Com. to explain "his role in the Aswan Dam affair." Humphrey charged that the aid withdrawal, if calculated "to precipitate a showdown with Russia in the Middle East," was "an example of reckless & unwarranted diplomatic brinkmanship." Humphrey, chrmn. of the Senate Disarmament Subcom., had proposed Mar. 16 that Pres. Eisenhower's "open skies aerial arms inspection plan be tested in the Middle East.") [See p. 26D2, B3]

(Dulles Apr. 2 also denied Beal's contention that Pres. Eisenhower, in a personal message to Chinese Nationalist Pres. Chiang Kai-shek, had indicated that the U.S. might aid the defense of Quemoy I. & the Matsus if they were attacked by Communist China. Dulles told newsmen that "the only commitments of the [U.S.] are as authorized in the Act of Congress which calls for the defense of Formosa & the Pescadores area & of related areas" should the President deem it necessary. Dulles conceded that the islands might be defended "if their defense seemed related to the defense of Taiwan [Formosa] & Penghu [the Pescadores].") [See Vol. XV, pp. 25B1-26E1]

'Ike' on Israeli Blockade. Pres.

Eisenhower told a news conference Apr. 3 that any Israeli request for support to end the ban on its shipping through the Suez Canal had been put "in different terms" & far less urgently than requests for U.S. backing in other areas. Mr. Eisenhower asserted that Israeli Premier David Ben-Gurion "did not even mention the canal difficulty as one of the assurances he would need before he could withdraw any troops" from Egyptian territory. [See p. 53C2]

The President emphasized that "where we did say we would use our . . . good offices to secure a proper respect for Israel rights was in the Gulf of Aqaba & Gaza Strip." He said that, although Egypt's ban on Israeli shipping through the canal rested on Egypt's "claim to belligerency" and he did not know how "that point is to be settled," "we should not assume that Egypt will violate the 1888 Convention." [See pp. 85D-F3, 77F-G3]

(Questioned on whether he privately had assured Pres. Chiang Kai-shek of U.S. aid in defense of Quemoy & the Matsus, Pres. Eisenhower said: "I have never given any kind of private assurance" on any matter that "goes beyond the law & the intent of Congress or of treaties made thereunder.") [See Vol. XVI, p. 227D2]

Suez Clearance. John J. McCloy, UN Secy. Gen. Dag Hammarskjöld's Suez financial advisor, arrived in Egypt Mar. 27 & conferred with Egyptian Forgn. Min. Mahmoud Fawzi & Finance Min. Abdel Moneim el-Kaisouni on repayment of the estimated \$15-20 million in UN Suez clearance costs. McCloy met Apr. 1 with Pres. Nasser, who reportedly accepted UN proposals for a surcharge on canal tolls to reimburse the UN for its salvage work. Nasser was said to have asked for a \$10 million loan under UN auspices to pay for new tugs, dredges & communication equipment needed for full canal operations. [See p. 3C2]

The first regular convoy of ships to pass through the canal since its closure Nov. 1, 1956, left Suez Mar. 29 & cleared Port Said Mar. 31. The 9 freighters, ranging up to 7,061 tons, were led into the Mediterranean by the Soviet ship "Krasnador." The Egyptian Suez Authority Mar. 29 opened the canal to vessels of up to 11,000 tons & 25-foot draft. The authority Mar. 29 listed 244 pilots in its Suez force, 99 of them Egyptian. [See p. 94D2; Vol. XVI, 322E3]

(The nationalized Universal Suez Canal Co. made public Apr. 2 studies it had completed for a \$287 million development program designed to open parts of the canal to 2-way traffic & triple annual canal traffic by 1972.) [See Vol. XVI, p. 338F3]

UN Statement on Gaza. UN Secy. Gen. Hammarskjöld returned to UN Hq. in New York Mar. 28 from talks in Cairo with Egyptian Pres. Nasser. He told newsmen on arrival that the talks had been "exploratory" and he hoped they would "prove helpful" in reaching a Mid-East settlement. Hammarskjöld met later Mar. 28 with U.S. Amb.-to-UN Henry Cabot Lodge Jr.,

British UN Delegate Sir Pierson Dixon & Canadian External Affairs Secy. Lester B. Pearson, and members of his 7-nation UN Emergency Force Advisory Com. to discuss the Cairo talks. [See pp. 94A2, 86B-D2]

Hammarskjöld, in a statement issued Apr. 1, said Egypt had agreed to (1) inform "the refugees & other inhabitants of the Gaza Strip that it is Egyptian policy to prevent infiltration across the [Gaza-Israel] demarcation line," and (2) reinstate the "Egyptian regulations against infiltration, which include penalties," & make clear to the local population "the role of the UNEF in assisting the prevention of infiltration."

A message to Egypt from the UNEF Advisory Com., made public by Hammarskjöld Apr. 1, expressed hope that the UNEF would continue to be stationed "at the armistice line as a deterrent to incursions." The note urged that it be made clear to Gazans that "enforcement of this policy" would be carried out by Egypt, with the UNEF having "the duty to assist in the enforcement." It warned that if the Egyptian-UNEF arrangements "prove insufficient or unsatisfactory," the Advisory Com. "would have to revert to the issue & consider," with Hammarskjöld, "further proposals" to assure "functioning of the force."

Joseph Tekoah, Israeli armistice affairs director, said Mar. 29 that UNEF officers had proposed construction of a mined fence along the entire Gaza-Israeli frontier. Tekoah, who insisted that the barrier be patrolled by Israel on the Israeli side & the UNEF on the Gaza side, termed Israeli response to the plan "enthusiastic." He charged that Arab police under Egyptian command had joined UNEF patrols on the border and that "the return of the Egyptians into the Gaza Strip is in full swing." [See p. 85B1-C2; Vol. XVI, 174A2]

UN & Egyptian officials denied Mar. 30 that Egyptian police or MPs had joined in UNEF border patrols. The Egyptians said, however, that a Palestine Arab police force was being formed in the Gaza Strip to begin patrols with the UNEF under the "interim agreement" with the UN aimed at giving Egypt responsibility for aiding border security without requiring the presence of large Egyptian forces in the strip.

The UNEF Apr. 1 completed the transfer of its Gaza Hq. from Egyptian Govt. buildings. The UNEF disclosed Apr. 2 that it had begun moving its supply base from Abu Suweir, in the Suez Canal Zone, to Rafah, in the Gaza Strip. UNEF patrols would be continued in the Sinai Peninsula & an Indonesian contingent retained near the Great Bitter Lake in the Suez zone. [See p. 85B-C2]

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(Israeli Forgn. Min. Golda Meir told the Knesset [Parlt.] in Jerusalem Apr. 2 that she was "deeply disappointed" at the failure of the U.S. to halt the "worsening of the situation" in the Gaza area. She said events in Gaza had proceeded "in direct contradiction to what should have happened there & to the understanding reached between Israel & the [U.S.]" She asserted that her Mar. 1 withdrawal statement to the UN Gen. Assembly had been agreed to "word by word" by the U.S. & French Govts.) [See pp. 85G2, D-F3; 69D1-E2]

(Israeli Premier Ben-Gurion told the Knesset Apr. 2 that Israel "could never expect a final victory" in its dispute with Egypt because Nasser could not agree to a settlement without having "another Egyptian officer," backed by rival Iraqi Premier Nuri as-Said, "get rid of him.") [See Vol. XVI, p. 353E3]

Soviet Warning. The USSR warned Israel & France Mar. 28 that a new attack on Egypt "would create the direct threat of a broad military conflict, with heavy consequences for the cause of peace." A statement circulated by Tass news agency in the name of "leading circles in the USSR" blamed "extremist circles" in Israel & France for new tension in the Mid-East. It charged that French leaders "have assured Israel that France will fulfill her promise to support Israel should she resume aggression against Egypt." It also accused the U.S. of giving Israel "some sort of guarantees." [See pp. 85D2, 75D3]

France Backs Israel. French Forgn. Min. Christian Pineau told the Natl. Assembly in Paris Mar. 27 that France would back Israel's right to answer with force any Egyptian attack in the Gulf of Aqaba or from the Gaza Strip. Implying that the U.S. had reneged on pledges that Israeli troops withdrawing from Gaza would be replaced only by the UNEF, Pineau said Israel had an "absolute right" to reoccupy the area in case of renewed fedayeen raids. [See p. 62D-E2]

French Forgn. Ministry spokesmen Mar. 29 denied assertions of French journalists Serge & Merry Bromberger that Premier Guy Mollet & Israeli Premier Ben-Gurion had met secretly on an airfield in France Oct. 20, 1956 to plan the ensuing attacks on Egypt. [See p. 87F2]

Levi Eshkol, Israeli Finance Min., revealed Apr. 3, following talks in Paris, that France had granted Israel a \$30 million credit to buy goods & equipment. [See p. 45C2]

■■■■■ EAST-WEST RELATIONS ■■■■■

USSR Vs. Bermuda Accords. The Soviet Govt. Mar. 31 charged the U.S. and Britain with choosing "the course of direct preparations for an atomic war" during the Mar. 21-24 Bermuda talks between Pres. Eisenhower & Prime Min. Harold Macmillan. A foreign policy statement, issued by the Soviet Forgn. Ministry in Moscow, warned that a U.S.-British agreement on nuclear test policy & use of guided missiles could lead "those who try to

impose such a war on others" to "the road to disaster." [See pp. 93B1-94B1]

The Soviet statement said:

● "Ignoring the will" of "the majority of mankind," the U.S. & Britain had "made known in their communiqué that further nuclear tests were absolutely essential." The USSR advocated an agreement "prohibiting . . . atom & hydrogen weapons," which presented "a special danger to the world's population, especially to countries with the greatest concentration of population." [See p. 99C1]

● Britain was to be "used not only as a base for [U.S.] bombers, equipped with atomic weapons, but also [would] become a launching platform for guided missiles equipped with atomic warheads." The U.S.-British missile accord had "placed the British people before the incalculable consequences that would unavoidably follow a retaliatory atomic attack in case of aggression" by NATO against the USSR. [See p. 93C1, col. X]

● The U.S., by its decision to participate in the Baghdad [METO] Pact's Military Com., had joined a "colonialist & aggressive" bloc "created for the purpose of enslaving the peoples of the East." [See p. 93E1]

(Jordanian Premier Suleiman Nabulsi charged Mar. 26 that the U.S. had "lifted its mask" by its move to participate in the pact [see p. 18A3]. Spokesmen for the 4 Moslem Baghdad Pact states—Iran, Iraq, Turkey & Pakistan—welcomed the U.S. move Mar. 23. Iraqi King Faisal formally opened the British-equipped Baghdad Pact nuclear center in Shalishiyah Mar. 31, ending Iraq's 4-mo. boycott of British METO Pact activities.) [See Vol. XVI, p. 376D1]

(Soviet Premier Nikolai A. Bulganin told a Moscow reception for visiting Hungarian Premier Janos Kadar Mar. 27 that, because of the Bermuda Conf.'s emphasis on the "aggressive NATO line-up," the USSR & Hungary had decided to "strengthen most decisively the Warsaw Pact" whether "the imperialists like it or not.") [See p. 12B3]

Soviets Offer A-Test Ban. The USSR offered Mar. 26 "to make an agreement for temporary cessation of [nuclear weapons] tests, together with determination of an appropriate period of time" to carry out the proposal. A statement released by Leonid F. Ilyichev, Soviet Forgn. Ministry spokesman, said the USSR had offered to suspend tests "in case the Western powers do not consider it possible to accept" Soviet proposals for a complete ban on making, testing & using nuclear weapons [see p. 87C-D3]. The statement said Western "refusal" to support such a ban "forces the Soviet Union to carry on experiments for the perfection of military techniques, including atomic & hydrogen weapons, [to strengthen] the security of the country." [See p. 79G3]

(A Soviet note Mar. 1 rejected Japanese appeals for suspension of Russian A-tests on grounds that they could cause no damage or injury to Japanese nationals.) [See p. 87C3]

U.S. Asks Data Exchange. Harold E. Stassen told the UN Disarmament Subcom. in London Mar. 28 that the U.S. would be willing to limit or end its nuclear tests under an agreement providing for inspection & other safeguards against surprise attack. Stassen, Pres. Eisenhower's Special Asst. on Disarmament, proposed that the USSR join with the U.S. in an exchange of information on all nuclear weapons tests held by the 2 countries during the past 2 yrs. Stassen said the exchange would enable U.S. experts, suspicious that the USSR had been able to conceal tests in the huge Soviet land mass, to determine if Western nuclear monitors had detected all recent Red tests. [See p. 87G2-D3]

USSR Warns Scandinavia. Soviet notes to Norway (Mar. 21) & Denmark (Mar. 29) warned both nations against permitting use of their territory for NATO atomic bases. [See p. 31F1]

A letter from Soviet Premier Bulganin to Norwegian Premier Einar Gerhardsen, released in Oslo Mar. 26, warned that Norway "might have to pay dearly" for bases built on Norwegian territory for "the NATO strategists." Bulganin wrote that "in response to aggressive actions against the Soviet Union," the USSR "would be forced to . . . inflict a destructive blow against the aggressor & also against the bases which are located near our borders." Bulganin wrote that although Norwegian territory was available "at any moment to NATO armed forces against the Soviet Union," the USSR was not asking Norway to "renounce" NATO but to join in efforts to safeguard security in Europe. [See Vol. XVI, p. 158E2]

A similar Bulganin letter to Danish Premier Hans C. Hansen, made public in Copenhagen Mar. 30, warned that in the event of an armed attack, the USSR would retaliate with nuclear weapons, each one of which could bring destruction "within a radius of hundreds of km." Bulganin wrote that "the security interests of the Soviet state" would demand annihilation of "aggressor bases" in case of war. It would, he wrote, "be tantamount to suicide for countries the size of Denmark if foreign states might establish bases [within them] in case of atomic war." [See Vol. XVI, p. 73D-E3]

A Soviet note to Sweden Mar. 29 renewed charges made in a Mar. 5 note that 14 Swedish spies had been captured while working with U.S. intelligence services against the USSR. It accused Swedish leaders of lying in rejecting the Soviet accusations Mar. 18. The Soviet Govt. newspaper "Izvestia" had charged Mar. 17 that "reactionaries" were plotting to seize power in Sweden and to abandon traditional neutrality for a "suicidal policy" of cooperation with NATO. [See p. 55B1]

(A committee of 12 Swedish defense experts, including Lennart Hirschfeldt, head of the Forgn. Affairs Inst., & Maj. Gen. I. Backlund, War College cmdr., reported Mar. 25 that Sweden would have little chance of maintaining its neutrality in the event of an

East-West war. The report urged Sweden to bolster its defenses by developing or importing tactical A-weapons.) [See Vol. XV, p. 252F3]

(A Swedish court Mar. 12 sentenced Bedros Zartaryan, 32, a Turkish engineer, to 10 yrs. at hard labor for "grand espionage" for the USSR.)

'Ike' vs. Threats. Pres Eisenhower, at his press conference Mar. 27, denounced Bulganin's letter to Norway as "completely indefensible." He said: "the right of Norway to take any measure it pleases . . . for its own security is clear"; the USSR had used "the same charges & the same threats" when the Atlantic powers had first joined to set up NATO. He repeated that the U.S. would not give Britain nuclear missile warheads under the missile agreement reached in Bermuda. [See p. 93F3]

NATO. Lt. Gen. Lauris Norstad, NATO supreme cmndr., urged in Bonn Mar. 20 that the "bare minimum" of NATO forces currently available be equipped with "the means of delivery" of tactical atomic weapons. Norstad, who refused to confirm or deny reports that the U.S. already had stockpiled atomic weapons in West Germany, said that in the event of war, NATO forces' dual-purpose weapons could be used with nuclear warheads. [See p. 87A2]

West German Chancellor Konrad Adenauer said at a Bonn news conference Mar. 22 that he favored parity of armaments for West Germany with other members of NATO. Adenauer's statement was considered an endorsement of Defense Min. Franz Josef Strauss' declaration Mar. 21 that all West German units activated after Apr. 1, 1958 would be subject to "reorientation" to atomic warfare standards. Strauss said West Germany planned to have 165,000 men under arms in 7 divisions by Apr. 1, 1958. Adenauer refused Mar. 22 to deny reports that France & West Germany had agreed to joint production of atomic weapons, reportedly permissible under the 1954 treaties on West German rearmament. [See pp. 94A1, 87G1]

(Erich Ollenhauer, West German Social Dem. Party head, Mar. 29 attacked proposals for equipping West Germany with atomic weapons as "increasing the danger to Germany's security" [see p. 71G1-A2]. According to the Bonn Govt.'s "Official Bulletin" of Mar. 9, the atomic information exchange program provided for under the Euratom treaty would give Germany access to "such knowledge which for reasons of military security of the individual states is subject to secret regulations" [see p. 94C-G1]. Siegfried Balke, West German Atomic Affairs Min., arrived in the U.S. Mar. 12 for talks with the State Dept. & Atomic Energy Comm. and a tour of U.S. atomic facilities.) [See Vol. XVI, p. 445A1]

(Soviet Premier Bulganin, in a message to Adenauer Mar. 18, accepted Adenauer's Feb. 22 suggestions for improving Soviet-West German trade relations and said the USSR was

"ready" to start negotiations in April. The letter, transmitted to Adenauer Mar. 21 & made public Mar. 23, warmly acknowledged Adenauer's earlier message but reiterated the USSR's "different view" of West German participation in NATO. Bulganin insisted that German unification could be achieved best through direct East-West German talks.) [See pp. 71C2, 47B1]

OTHER WORLD NEWS

Iran. Premier Hussein Ala, 74, resigned Apr. 3 and was replaced by Manouchehr Eghbal, 49, a physician & Court Min. His resignation followed the slaying Mar.



Wide World
ALA

24 by bandits of U.S. aid officials Brewster A. Wilson, 35, & Kevin M. Carroll, 37, Carroll's wife, Anita Hoover Carroll, 35, & 2 Iranian drivers. The 5 were killed following a gun battle after their jeeps were ambushed by a gang led by the bandit Dadshah in Tangorkkeh desert (southeast Iran) near the Pakistan border. Wilson, a contractor for the Intl. Cooperation Admin., & Carroll, an ICA adviser for the Kerman area of Iran, reportedly held off the bandits with pistols until their ammunition was spent. Mrs. Carroll's body was found Mar. 31 after the U.S. & Iranian Govts., acting on reports that she was alive, had offered immunity & ransom to the kidnappers Mar. 29 for her release unharmed. Clark S. Gregory, U.S. Point 4 administrator for Iran, temporarily suspended U.S. aid activities in Iran Apr. 1 after asserting dissatisfaction with measures taken against the Dadshah gang. An Iranian statement Mar. 28 expressed Shah Mohammed Reza Pah-

levi's "deep sorrow" at the incident. [See p. 72D2]

Cyprus. The British Govt. Mar. 28 ordered Cypriot Archbishop Makarios III released from detention in the Seychelles Is., where he had been held since his deportation from Cyprus Mar. 9, 1956 [see Vol. XVI, p. 81B1-G2]. British Colonial Secy. Alan T. Lennox-Boyd told the House of Commons Mar. 28 that Makarios & 3 Orthodox churchmen exiled with him would be freed to go anywhere except Cyprus. Boyd said Makarios Mar. 22 had accepted British offers of his release, made Mar. 20, if he would call for an end to EOKA's terrorist campaign for Cypriot union with Greece. Britain Mar. 20 offered safe conduct out of Cyprus to EOKA cmndr. Col. George Grivas & any other foreign citizens serving with the EOKA. [See p. 99F2-C3]

Makarios' statement, issued Mar. 28, appealed to the EOKA "to declare the cessation of all operations, given that the British Govt. will show a spirit of understanding by abolishing simultaneously the present state of emergency" on Cyprus. Makarios noted the UN resolution calling for resumption of talks on Cyprus [see p. 63F2] & the latest EOKA truce offer. He said he "would be extremely sorry if the road to peace thus now opened were to be blocked." Makarios told newsmen Mar. 29 that he was "not prepared to negotiate for the political future of Cyprus until I am allowed to return." [See Vol. XVI, p. 159E2]

The Marquess of Salisbury, leader of the House of Lords & Lord Pres. of the Council, a Cabt. job with responsibility for atomic affairs, resigned both posts Mar. 29 in protest over Makarios' release. Salisbury, who retained his House of Lords seat, was succeeded in the 2 posts by the Earl of Home, State Secy. for Commonwealth Relations. Responsibility for atomic energy was ordered transferred to Prime Min. Macmillan. [See p. 9D1, E2]

NATIONAL AFFAIRS

THE PRESIDENT

Defends Budget. Pres. Eisenhower defended his budget Mar. 27 as "carefully" & "intelligently" made. He warned at his press conference that it could not be cut "severely" without endangering U.S. security, crippling such "essential" programs as the school & farm proposals or forcing through an illusory reduction (to be made up later by supplementary appropriation) in funds for projects authorized by Congress. The President derided "fatuous" & "futile" talk about making big cuts in the budget while continuing & expanding domestic programs and maintaining the U.S.' position "in the world." He specifically rejected Sen. Harry F. Byrd's (D., Va.) demand for a \$5 billion cut.

Mr. Eisenhower defended foreign aid, which he said had become "a fair

target" of the newly "economy-minded" because "foreign aid has no pressure group in any district" in the U.S. He said "no dollars today . . . are being spent more wisely for the future of American peace & prosperity than the dollars we put in foreign aid." He held that it should be referred to "only as mutual aid, because it is not only the welfare of somebody else we are seeking. We are seeking our own future markets, prosperity & peace."

The President Mar. 27 suggested that anyone "interested in economy" might tackle "the Post Office deficit," which "I have been trying to get . . . stopped for the last 4 years" with "zero progress." He cited as possible targets for the economizers: (a) "the great number of public works that are authorized [by Congress] without proper engineering studies," presumably "for political purposes"; (b)

services such as patents for which "we don't charge what it costs"; (c) Govt. loans of "money at a lower price than we can get it."

Mr. Eisenhower said in an address to the Advertising Council's Washington conference Apr. 2 that his budget was part of the price for a just, enduring peace. He predicted that when the people of the U.S. get the facts & grasp "the whole problem," they would be "perfectly ready to put their money in those things that they need to have done."

The President Apr. 2 agreed "that the Fed. Govt. should keep its fingers out of the educational process," but he insisted that in view of the current plight of the schools, it was right & essential for the Fed. Govt. to help the states build schools "on a one-time basis" and then to "get out" after the shortage was ended. He held that the Fed. Govt., "as long as it is kept within bounds," could assist states with "welfare funds . . . old age security, unemployment insurance & health processes" because "it helps to provide an equalizing factor among the several states." [See p. 80A1-C2]

Meantime, Congress members continued to claim that budget cuts were possible without harming essential programs. Senate Republican leader William F. Knowland (Calif.) said at a Masonic breakfast in New York Mar. 31 that "it is time for the foreign aid program to be reduced." Wartime damage to the U.S.' allies had been repaired, he declared. "It is neither in their interests nor ours for nations abroad to be permanently dependent upon American financial grants. It is time for them to start living within their means and for us to do likewise." [See pp. 89C3, 80F2]

Urges Disability Law. Pres. Eisenhower & Atty. Gen. Herbert Brownell Jr. proposed to Democratic & GOP Congressional leaders at a White House meeting Mar. 29 that the Constitution be amended to provide for the Vice President to assume the President's duties temporarily if the President became disabled.

The proposed amendment would provide: (a) "If the President shall declare in writing that he is unable to discharge the powers & duties of his office, such powers & duties shall be discharged by the Vice President as Actg. President"; (b) "if the President does not so declare, the Vice President, if satisfied of the President's inability," would take over as Acting President on receiving "approval in writing" from a majority of the Cabinet; (c) "whenever the President declared in writing that his inability is terminated, the President shall forthwith resume his powers & duties."

House Speaker Sam Rayburn (D., Tex.) told reporters that he did not "think much" of the proposal. "We've got along for 168 years, and I don't think many bad things have happened," he said.

Chrmn. Emanuel Celler (D., N.Y.) of the House Judiciary Com. opposed giving the Cabinet the power to decide whether the Vice President should

act for the President. He proposed a simple concurrent resolution providing that the Vice President, on deciding the President was disabled, would inform Congress and take over the President's duties & powers until the President was able to resume them.

Rep. Kenneth B. Keating (N.Y.), ranking Republican of the committee, had proposed Mar. 28 the creation of a 10-member "Presidential inability commission" to decide when the President could not perform his duties. [See p. 96A-B1]

Denies Plan to Quit. Pres. Eisenhower, at his Apr. 3 press conference, denied rumors that he planned to resign when world conditions improved. He called the rumors "the worst rot I have heard since I have been in this office" and labeled them a reflection on "my basic integrity & honesty." He said that when he had told the American people Feb. 29, 1956 that his doctors thought "I could undertake again a 4-yr. tour of duty as President, I said it was my intent & purpose to carry it honestly." The rumors had been circulated both in the U.S. & abroad and had been reported by editors Louis Seltzer of the "Cleveland Press" & Ralph McGill of the "Atlanta Constitution." [See p. 48G1]

Personnel. Mr. Eisenhower Mar. 29 nominated Asst. Navy Secy. William B. Franke, to be 53 Apr. 15, to the post of Navy Undersecy. . . . Ralph W. Zwicker's promotion to the rank of major general was confirmed Apr. 1 by a 70-2 Senate vote with only Sens. Joseph R. McCarthy (R., Wis.) & George W. Malone (R., Nev.) opposed. [See p. 13C3] . . . Confirmed by the Senate Mar. 28: John Clifford Folger as Amb. to Belgium; Philip Young as Amb. to the Netherlands; Philip W. Bonsal as Amb. to Bolivia; Fred C. Scribner Jr. as Asst. Treasury Secy.; Louis J. Hector to a 6-yr. CAB term. . . . Dr. Joseph Simonson announced in Addis Ababa Apr. 1 that he was retiring as Amb. to Ethiopia.

Other Presidential News. Pres. Eisenhower, in an obvious reference to the case of Teamsters Bro'hood Pres. Dave Beck, indicated at his press conference Mar. 27 that he would support legislation requiring unions to give members "an exact accounting of how their money is used." He said he shared the "common reaction" that if a man used the 5th Amend., "there must be something he doesn't want to tell." [See p. 96D1-D3] . . . Mr. Eisenhower Mar. 27 signed a bill raising Fed. Natl. Mortgage Assn. borrowing power by \$500 million [see p. 98B1]. He signed Apr. 2 a bill increasing the acreage allotments of durum wheat growers but said, "I will oppose any special programs for durum wheat in the future." [See p. 97D3] . . . On the President's orders Mar. 29, FHA Comm. Norman P. Mason lowered down-payment requirements on houses bought with FHA-insured mortgages from 7% on the first \$9,000 of a home's value to 5% and from 27% on the rest to 25%. [See pp. 74G3-75A1]

Pres. Eisenhower asked Congress

Apr. 1 to extend for 4 more years his power (currently set to expire June 1) to reorganize the Executive Branch. [See p. 73G1; Vol. XVI, 357A-B1] . . . The President, at his press conference Mar. 27, gave a rare public display of suppressed fury when William McGaffin of the "Chicago Daily News" asked whether he felt he could make "economies" in Govt. spending: "For instance, would you be willing to do without that pair of helicopters . . . for getting you out to the golf course a little faster? . . ." Mr. Eisenhower replied heatedly: "Well, I don't think much of the question because no helicopters have been procured for me to go to a golf course. Thank you. That is all." [See p. 73C-D2]

A minor controversy flared Mar. 29 after Montgomery County, Md. police let a Secret Service agent drive Pres. Eisenhower to his Gettysburg, Pa. farm at speeds up to 75 mph. but flagged accompanying newsmen down to the legal 55 mph. The President said at his press conference Apr. 3 that he had not known how fast the car was going and had ordered his driver to observe speed limits in the future. . . . Willie (Cemetery) Per-teet, 51, was fired as Mr. Eisenhower's caddy by Augusta (Ga.) Natl. Golf Club pro Ed Dudley, who explained Apr. 1 that "the President plays like a whirlwind. . . . It takes a young man to keep up with him," and Per-teet was "getting a little too decrepit." (Per-teet's explanation of his nickname: He had been called "Dead Man" for awhile after having been slashed in a knife fight and placed on a morgue slab as dead; "the President, he told me all dead men belong in cemeteries, and he said from now on he'd call me 'Cemetery.'") . . . Mr. Eisenhower Mar. 29 launched the American Cancer Society's \$30 million funds drive and designated April as Cancer Control Month.

CONGRESS

Tax Rates Extended. A bill (HR-4090) extending current corporation & excise tax rates for 15 months was passed by voice votes of the Senate Mar. 27 & House Mar. 28 and signed by Pres. Eisenhower Mar. 29.

The measure averted a potential \$3 billion Govt. revenue loss by postponing until July 1, 1958 tax cuts that otherwise would have taken effect automatically on Apr. 1. Corporation taxes would have dropped from 30% on the first \$25,000 of earnings & 52% on the rest to 25% & 47%, respectively. [See p. 28C2]

Before final passage, the Senate Mar. 7 rejected a series of amendments to give tax relief to small businesses, cut oil & gas "depletion allowances" and to reduce specific excise levies.

A small-business proposal, introduced by Sen. J. William Fulbright (D., Ark.) & defeated, 52-33, would have cut taxes on small corporations by some \$400 million but would have offset the loss by increasing rates for big firms. Fulbright had urged a 22% levy on the first \$25,000 of company

profits, a 53% levy on everything above this.

A "depletion" proposal, introduced by Sen. John J. Williams (R., Del.) & rejected by voice vote, would have cut allowances for oil & gas producers from 27½% to 20%.

The proposed relief for small business had been opposed by Treasury Secy. George M. Humphrey Mar. 19 at Senate Finance Com. hearings. "Preferential" cuts for "special groups" would delay general tax reduction, he predicted [see p. 41A-B1]. The small-business-relief proposal was opposed at committee hearings Mar. 22 by William J. Grede of the Natl. Assn. of Mfrs. & Alger B. Chapman of the Natl. Council of State Chambers of Commerce.

Agency Funds Cut. The House Mar. 20 passed by voice vote & sent to the Senate a bill appropriating \$5,385,-201,700—\$537,993,300 less than Pres. Eisenhower had requested—to run 18 independent federal agencies in fiscal 1958. The bill would give the Fed. Civil Defense Admin. only \$39,300,000 of the \$130 million Mr. Eisenhower had recommended. It made no provision for the \$130 million requested for stockpiling strategic materials, and it cut \$206 million from the \$4.8 billion Veterans Admin. request. [See p. 89B3]

(The Senate, by 42-22 vote Mar. 28, passed and sent to the House a "pork barrel" bill authorizing—not appropriating—\$1½ billion for river-&-harbor, flood control & other public works projects in 37 states, Alaska & Hawaii. Bipartisan amendments designed to eliminate up to \$1 billion of the total were defeated, and 2 projects totaling \$19.4 million added.)

Other Legislation. An Admin. proposal to raise the interest rate on GI home loans from 4½% to 5% was rejected by an 11-6 vote of the House Veterans' Affairs Com. Apr. 2. [See p. 97F-G3] . . . The House passed and sent to the Senate Apr. 1 a bill to deny pensions for non-service-connected disabilities to veterans serving jail terms of more than 2 years.

The Senate passed by voice vote and sent to the House Apr. 1 a bill adding \$1 billion to the \$3 billion previously made available (but nearly exhausted) for disposal of surplus farm commodities overseas. Before passage, the Senate rejected, by 54-23, Senate GOP leader William F. Knowland's effort to eliminate an Admin.-sponsored provision authorizing the barter of such surpluses with Iron Curtain countries. The bill also would extend the surplus-disposal law for one year (to June 30, 1958) and add \$300 million to the \$500 million previously set as the limit for giving surplus commodities as gifts to needy nations. [See pp. 72A3, 30E2]

A bill freezing support prices of long-staple cotton at 75% of parity was passed by the Senate and sent to the House Mar. 29. [See p. 100C-D2] . . . A House-approved measure authorizing the U.S. to cooperate in construction of an experimental atomic reactor in West Berlin was passed by the Senate and sent to the

White House Mar. 29. (An order for construction of Germany's first atomic power station, an \$11 million plant to be built in the Ruhr for Rheinische-Westfälisches Elektrizitätswerk A. G., had been announced in London Mar. 19. Part was to be built by Mitchell Engineering, Ltd. of London and part by the firm's U.S. associates, AMF Atomics, Inc. of New York. It was the first non-British atomic power contract in which a British firm would play a prominent role.) [See p. 98C2; Vol. XVI, 183C2]

POLITICS

Texas Elects Democrat. Ex-Judge Ralph W. Yarborough, 53, "liberal" Democrat Austin lawyer who had lost 3 times in Texas gubernatorial contests, defeated a field of 16 other Democrats & 2 Republicans to win election Apr. 2 to Texas' U.S. Senate seat that had been vacated when Price Daniel resigned to become governor [see p. 14D2]. Rep. Martin Dies (D.) was a poor 2d in the election, Thad T. Hutcheson (R.) a poor 3d.

Republicans had pinned their hopes for victory on the belief that Democratic votes would be so divided among the 17 Democratic candidates that even the relatively few GOP votes might be enough to give the post to a Republican. Had Hutcheson won, the Senate's narrow Democratic majority would have ended, and the chamber would have been thrown into a 48-48 tie. Senate GOP leaders had announced that in this event, they would use Vice Pres. Nixon's tie-breaking vote to reorganize the Senate under Republican control. Pres. Eisenhower had given the GOP a boost Mar. 27 by saying at his press conference that he believed "every Southern state would be benefitted by having a healthy 2-party system. There ought to be an occasional victory by the other side if you are going to keep these politicians up to snuff."

Michigan Democrats scored a clean sweep of all 10 offices at stake in state-wide elections Apr. 1.

Americans for Democratic Action, meeting in Washington Mar. 29-31 for a 10th-birthday convention, called Mar. 31 for "forthright enforcement of laws punishing embezzlement of union funds." The ADA also urged the Senate committee investigating labor racketeering to "expose collusion" by employers in abuses its inquiries had revealed. The ADA convention, by a 111-104 vote, decided not to press for ex-Sen. Herbert H. Lehman's (D., N.Y.) proposed amendment to federal-aid-to-educations bills. Lehman's proposal would bar aid to school districts refusing to agree to use the money in compliance with Supreme Court integration decisions. The majority held that the amendment would endanger passage of aid measures. Robert R. Nathan, 48, Washington economist & wartime planning chief of the War Production Board, was elected Mar. 31 to succeed Joseph L. Rauh Jr. as ADA national chair-

man. Mrs. Franklin D. Roosevelt was reelected honorary national chairman. [See Vol. XVI, p. 168D-E2]

GOP Natl. Chrmn. Hugh Meade Alcorn Jr. urged Republicans at a Nebraska Founders Day dinner in Lincoln, Neb. Mar. 18 to develop "greater pride in partisanship," "a keener sense of team spirit, a feeling that anything Republican is good because it is Republican." He called for more "vociferous cheerleaders within the party & fewer eloquent dissidents." Alcorn, interviewed Feb. 3 on the CBS-TV program "Face the Nation," had denounced the "compulsion" that, he said, "certain union movements" used to force members to contribute to political causes. He urged legislation to outlaw it. [See p. 23C-E3]

For America, 3-yr.-old conservative movement opposed to "super-internationalism," elected ex-Gov. J. Bracken Lee (R., Utah) as national chairman at a reorganization meeting in Washington Mar. 11-12. Ex-co-chairmen Clarence E. Manion & Dan Smoot became vice chairmen, and Brig. Gen. Bonner Fellers continued as national director "on leave." Lee said he would campaign throughout the U.S. for repeal of the federal income tax & for reversal of the Eisenhower Admin.'s "reckless spending & extravagant waste." [See Vol. XVI, p. 391G3]

Sen. George D. Aiken (R., Vt.), in a speech at the Women's Natl. Republican Club in New York Mar. 12, urged Republicans to abandon the term "modern Republicanism" and to remember that they were members of a Republican, not an Eisenhower, party. He charged the Eisenhower Admin. with some blame for ebbing enthusiasm among Republicans. The Admin., he said, ignored "loyal Republicans" and gave jobs "to those who contributed little, or to members of the opposition party." [See p. 64C1]

Rightwing Republicans attacked Pres. Eisenhower & his Admin. in Chicago Feb. 9 at a "seminar" on the theme "Real Republicanism Vs. Modern Republicanism." Republicans assailing the Admin. included: Sen. Joseph R. McCarthy (Wis.), who charged that Mr. Eisenhower's "atoms for peace" program "is, potentially, an 'atoms for war' program" and might mean a gift of 2,200 A-bombs to the Communists; Sen. William E. Jenner (Ind.), who called U.S. foreign policy "the postwar WPA of the Socialist planners" and suggested that to solve the Middle East problem, "all we need do is let Nasser stew in his own juice"; ex-Sen. Herman Welker (Ida.), who asserted that "I never voted for 5¢ of foreign aid"; ex-Gov. J. Bracken Lee (Utah), who called for a "tax rebellion." The seminar was sponsored by the Abraham Lincoln Natl. Republican Club and directed by Edgar Bundy, pres. of the club.

Democratic Natl. Com. voted in San Francisco Feb. 15 to give its Natl. Advisory Council authority to formulate policy between conventions. The council Feb. 17 released a resolution calling on Democratic Congress members to press for enactment of a



Business & Financial

Week Ended Mar. 30

FINANCE:

U.S. Treasury—	This Week	Last Week	Year Ago
Monetary gold stocks	\$22,305	\$22,305	\$21,715
Currency circulation	\$30,502	\$30,589	\$30,249
Fed. Reserve System—	Mar. 27	Mar. 20	Mar. 28, '56
Reserves	\$21,626,539	\$21,618,79	\$21,036,161
Govt. securities	\$23,055,567	\$23,198,117	\$23,609,362
Note circulation	\$26,371,667	\$26,431,488	\$26,003,343
Discounts & advances	\$616,584	\$892,739	\$705,946
Reserve ratio	47.2%	46.5%	46.0%
Banks—	This Week	Last Week	Year Ago
Com'l ind'l & agri'l loans\$.....	\$31,579	\$30,844	\$27,741
N.Y. bank clearings	\$11,545,106,491	\$13,994,359,308	\$10,984,182,791

N.Y. Stock Exchange—

Stock sales (shares)	8,548,665	8,061,458	11,391,492
Stock avgs. (100 stocks)*	198.56	198.24	211.24
Bond sales (par value)	\$17,651,000	\$17,443,900	\$15,889,000
Bond avgs. (30 bonds)**	91.13	91.19	98.17

INDUSTRY:

Auto output (cars & trucks)† ..	154,090	161,866	149,863
Crude oil (bbls. daily)	7,818,400	7,798,600	7,163,265
Soft-coal output (tons)	10,180,000	9,700,000	9,264,000
Electric output (kwh.)	\$11,723	\$11,650	\$11,134
Carloadings (cars)	685,833	689,226	697,248

Ind'l output\$¶	146	146	143
Steel output (tons)	9,987,206	11,008,762	10,118,995

PRICES:

	This Week	Last Week	Year Ago
Wheat (bu.)	\$2.69	\$2.68½	\$2.70¾
Corn (bu.)	\$1.59½	\$1.58	\$1.66¾
Cotton (lb.)	\$3.545	\$3.54	\$3.675
Steel scrap avg. (ton)	\$45.83	\$48.17	\$52.50
Wholesale food index‡	\$6.22	\$6.20	\$5.89
Weekly whsl. index (BLS)¶	117.0	116.9	112.9

BUSINESS:

Dept. store sales\$¶	113	107	112
Failures (Mar. 21)‡	318	301	208
Forgn. Trade (Census Bur.)—	Jan.	Dec. '56	Jan. '56
Exports	\$1,583	\$1,674.9	\$1,358
Imports	\$1,135	\$1,575.9	\$1,858

*In millions **N.Y. Herald Tribune †Ward's estimate ‡Dun & Bradstreet ¶1947-49=100 §Fed. Reserve Board ¶Member banks, 94 cities, Mar. 20 †Mar. 23 ‡Mar. 16 ¶Mar. 26 ¶Revised

Democratic civil rights program. The council simultaneously released a statement assailing the Eisenhower Admin. for foreign policy conduct that, in the case of the Middle East, had brought "us to the most dangerous crisis since the war." [See 2C3]

Party breakdown of 1956 vote for House candidates (according to tabulation in "N.Y. Times" Feb. 10): Democrats 30,074,292, Republicans 28,441,290, others 110,106. [See p. 42F1]

OTHER U.S. NEWS

AFL-CIO Suspends Beck. The AFL-CIO Executive Council, meeting in Washington Mar. 29, suspended Teamsters Bro'hood Pres. Dave Beck as a council member & AFL-CIO vice pres. The council also: (a) directed AFL-CIO Pres. George Meany to file charges against Beck for "bringing the labor movement into disrepute & for his failure to explain the charges against him"; (b) ordered that Beck face a hearing on the charges May 20; (c) instructed the AFL-CIO Ethical Practices Com. to investigate the Teamsters Bro'hood to see whether it "is substantially dominated or controlled by corrupt influences."

These actions were taken by unanimous vote at a special session at which Beck failed to appear because, he said, he had not been given adequate notice. (He had been told of the meeting Mar. 26.) [See p. 97A3]

Beck, en route to Seattle from Washington, had announced at Chicago's Midway Airport Mar. 28 that the

Teamsters treasury would put up a \$1 million publicity fund to tell "our" side of the story about charges of corruption against him & other Teamsters leaders. John F. English, international secy.-treasurer of the Teamsters, announced in Washington Mar. 29 that he would oppose using "union funds for that purpose." Beck returned to Washington Apr. 1 to take his publicity plan before the Teamsters' Gen. Executive Board. The board, however, rejected his scheme, and he announced Apr. 2 that it had "unanimously approved" a "public-relations program" to oppose "anti-labor legislation."

Meantime rank-&-file opposition to Beck, who said he planned to run for reelection as Teamsters pres., was building up in many local & regional Teamster units. James Lucken, pres. of the 17,000-member Cincinnati Joint Teamsters Council, issued a statement Mar. 29 calling for Beck's resignation. [See p. 96D1-G3]

Contempt Cases. Seymour Peck, 39, "N.Y. Times" Sunday magazine copy editor & an admitted ex-Communist, was convicted of contempt of Congress by a federal jury in Washington Mar. 26 for refusing to name former fellow Communists before the Senate Internal Security Subcom. Chrmn. James O. Eastland (D., Miss.) of the Senate committee, a voluntary witness, denied Mar. 22 that he had sought to pass on the contents of newspapers or had contemplated legislation infringing on freedom of the press. [See Vol. XVI, p. 398B-C2]

Fed. Trade Comm. issued complaints against 3 national distributors of arthritis & rheumatism medicines Mar. 31 on charges of "falsely advertising" that their products were "adequate, effective or reliable treatment for the aches & pains of arthritis, rheumatism & related diseases." The 3 companies accused were: Mentholatum Co., Inc., of Buffalo, N.Y., maker of Mentholatum Rub; Whitehall Pharmacal Co. of New York, maker of InfraRub & Heet; Omega Chemical Co., Inc. of Jersey City, maker of Omega Oil. They were given 30 days to answer the complaints. The actions against them were the first in a new program that was started in Oct. 1956, when the FTC set up a special unit under FTC lawyer T. Harold Scott to monitor radio & TV commercials. [See Vol. XVI, p. 432C3] . . . American Tariff League study revealed Apr. 2 that dutiable imports exceeded duty-free imports in 1946 for the first time in 47 years. [See p. 98G3] . . . U.S. aviation exports in 1956 totaled \$1,044,487,000, up 43% over 1955, it was reported Apr. 2. . . Merger of the New Haven and the Boston & Maine railroads was rejected by the New England Governors Com. on Public Transportation Apr. 1, after a 2-yr. study of rail policy, as "not . . . in the best interests of New England." . . . Anti-trust actions pressed by the Justice Dept. resulted in: (a) a federal grand jury indictment in Roanoke, Va. Mar. 26 of Pittsburgh Plate Glass Co., Carolina Mirror Corp., Galax Mirror Co., Mount Airy Mirror Co., Stroupe Mirror Co., Virginia Mirror Co. and Weaver Mirror Co. on charges of conspiring to fix prices for the sale of plain plate glass mirrors to furniture manufacturers; (b) a federal grand jury criminal indictment in New York Mar. 27 of Toy Guidance Council, Inc., Toy Yearbook, Inc. and Consumer Toy Catalogues, Inc. and of Melvin Freud, pres. of the 3 companies, on charges of conspiring to restrain the sale & distribution of nationally-advertised toys; a companion civil anti-trust suit filed by the Justice Dept. the same day against Toy Guidance Council, Masback, Inc., Bostwick-Braun Co., Central Indiana Distributing Corp., Garrison Toy & Novelty Co., Gen. Mercantile & Hardware Co., Harold Hahn Co., M. W. Kasch Co., Kaufman Bros., Pensick & Gordon, Edw. K. Tryon Co., Williams & Shelton Co., Seymour Krause, Melvin S. Lachman, Bennett M. Siegel, Edwin Maxo & Willard S. Stull.

Ex-"N.Y. Daily News" reporter William A. Price, 41, was convicted by Fed. Dist. Judge Richmond B. Keech in Washington Mar. 13 of contempt of Congress for refusing to tell the Senate subcommittee whether he had been a Communist. [See Vol. XVI, p. 398B-C2]

Folk singer Peter Seeger, 38, actor Elliott Sullivan, 50, & actor George Tyne (real name Martin Yarus), 40, were indicted by a federal grand jury in New York Mar. 26 on contempt-of-Congress charges for refusing to answer questions before the House Un-American Activities Com. in 1955 during the committee's investigation of communism in the entertainment field. [See Vol. XV, p. 272F3]

Judge Keech Mar. 22 imposed a 3-month jail sentence & \$500 fine on ex-New Orleans TV executive Herman Liveright, 45, for contempt of Congress in refusing to answer Senate Internal Security Subcom. questions about alleged Communist associations & activities. [See p. 50E1]

OBITUARIES

Max Amann, 65, one-armed head of Third Reich's Press Chamber (which controlled all German newspapers), Nazi Party's first business mgr.; death reported Mar. 1 in Munich.

Amann had been sentenced by a German court after the war to a 10-yr. labor-camp term, served part of it.

(Arthur) Joyce (Lunel) Cary, 68, Irish-born novelist ("Aissa Saved," "Herself Surprised," "The Horse's Mouth," "Mr. Johnson," "Prisoner of Grace"); Mar. 29 in Oxford, Eng. of multiple neurosis (progressive paralysis). [See Vol. XVI, p. 280G3]

Herbert Fleishhacker, 84, West Coast financier & philanthropist, pres. of Anglo-Calif. Natl. Bank 1911-36, donor of San Francisco's Fleishhacker Zoo; Apr. 2 in San Francisco.

Murray Wolfe Garsson, 66, English-born organizer of World II munitions combine which received \$78 million in Govt. contracts (he was convicted in 1949 of bribery & fraud in connection with the contracts), special Asst. Secy of Labor 1931-33; Mar. 26 in New York of brain hemorrhage from a fall. [See Vol. IX, p. 292J]

Maj. Gen. Hans G. Hornbostel, 76, ex-Army engr. who survived Bataan death march, later spent 3 years at Carville (La.) Leprosorium to be with his wife, who contracted leprosy while a prisoner of Japanese; Apr. 2 in New York. [See Vol. IX, p. 312H]

Gene Lockhart, 66, Canadian-born actor who appeared in more than 300 films ("Abe Lincoln in Illinois," "Foxes of Harrow," "Man in Gray Flannel Suit"), on stage in "Death of a Salesman," "Ah! Wilderness," wrote lyrics for "The World Is Waiting for the Sunrise"; Mar. 31 in Santa Monica, Calif. of coronary thrombosis.

Christopher Morley, 66, novelist ("Kitty Foyle," etc.), humorous essayist, poet, Joseph Conrad authority; Mar. 28 in Roslyn Heights, N.Y.

Ernest O'Malley, 59, Irish writer, broadcaster, Irish Civil War rebel leader; Mar. 26 in Dublin.

Max Ophuls, 54, German-born French film director ("La Ronde," "Le Plaisir"); Mar. 26 in Hamburg, West Germany.

Solomon Shlifer, 66, chief rabbi of Moscow's Central Synagogue who re-established school of Jewish religious education and issued first Jewish prayer books to be published in USSR since revolution; Mar. 31 in Moscow.

Gheorghe Tatarescu, 65, Rumanian premier 1934-37 who backed totalitarian Iron Guard, Forgn. Affairs Min. 1938, Amb. to France 1940-43, Forgn. Min. 1945-47; death reported Apr. 1 by Bucharest radio. [Vol. VI, p. 259D]

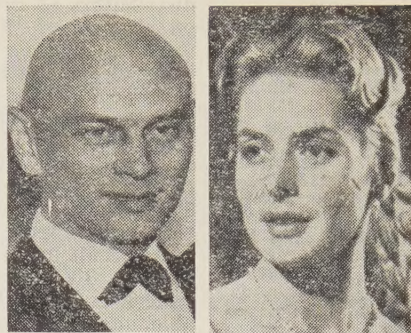
A. P. Warner, 87, industrialist, inventor of auto speedometer in 1904, founder Warner Instrument Co. in 1912; Mar. 22 in Beloit, Wis.

SPORTS

Winners

Auto race: Sam Hanks of Pacific Highlands, Calif., driving a 1957 Mercury owned by Bill Stroppe of Long Beach, won the U.S. Automobile Club's national championship stock car race at the West Coast Speedway (Vallejo, Calif.) Mar. 31. . . . Basketball: East beat West, 73-63, at Madison Square Garden in New York Mar. 30 in the "N. Y. Herald Tribune"

1956 'Oscar' Winners



Wide World

Yul Brynner & Ingrid Bergman (above) won Academy of Motion Picture Arts & Science awards (Oscars) Mar. 27 as best film actor & actress of 1956 for their performances, respectively, in "The King & I" & "Anastasia."

Other "Oscar" winners:

Best film—"Around the World in 80 Days," produced by Michael Todd. Direction—Geo. Stevens. "Giant." Supporting actress—Dorothy Malone. "Written on the Wind." Supporting actor—Anthony Quinn. "Lust for Life." Forgn. film—"La Strada." Original screen story—Robt. Rich. "The Brave One." Screen adaptation—Jas. Poe, John Farrow & S. J. Perelman. "Around the World in 80 Days." Original screen play—Albert Lamorisse. "The Red Balloon." Song—"Whatever Will Be, Will Be," by Jay Livingston & Ray Evans for "The Man Who Knew Too Much." Cartoon short subject—"Mister Magoo's Puddle Jumper," Stephen Bosustow. 2-reel short subject—"The Bespoke Overcoat," Geo. K. Arthur. One-reel short—"Crashing the Water Barrier," Konstantin Kaiser. Documentary feature—"The Silent World," Jacques-Yves Cousteau. Documentary short—"True Story of the Civil War," Louis Clyde Stouman. Honorary award—Eddie Cantor. Jean Hersholt Award for humanitarian service—Y. Frank Freeman. Irving G. Thalberg Award for consistently fine production—Buddy Adler.

Fresh Air Fund's College All-Star contest. . . . Boxing: Alphonse Halimi, 25, undefeated Frenchman weighing 116¼ lb., won the world bantam-weight championship in Paris Apr. 1 by a 15-round decision over deaf-mute Mario D'Agata, 30, 117½ lb., of Italy. (The fight had been halted for 15 minutes after the 3d round when a short-circuit in the lights above the ring caused a fire that scattered burning debris over the canvas and lightly scarred D'Agata's back.) [See Vol. XV, p. 363F3] . . . Golf: Arnold Palmer, 27, of Latrobe, Pa. won the \$12,500 Azalea open at the Cape Fear Country Club, Wilmington, N. C., for \$1,700. . . . Horse-racing: Mrs. Geoffrey Kohn's 11-yr.-old gelding, Sundew, ridden by Fred Winter, won the 111th Grand Natl. Steeplechase at Aintree, Eng. Mar. 29, for \$24,831.80. The \$123,600 Florida Derby was won by Calumet Farm's Gen. Duke, Willie Hartack up, at Gulfstream Park (Hollandale, Fla.) Mar. 30, for \$73,400, by equaling the world record time of 1:46 4/5 for 1½ mil. Mrs. Jan Burke's Dedicate, Bill Boland up, won the \$111,150 John B. Campbell Memorial Handicap at Bowie (Baltimore) Mar. 30, for \$75,150. . . . Rowing: Cambridge beat Oxford in the annual university boat race on the Thames Mar. 30. . . . Skiing: Denver U. won its 4th consecutive Natl. Collegiate Athletic Assn. ski title in Snow Basin,

Utah Mar. 29-31. . . . Swimming: Michigan won the NCAA swim title at Chapel Hill, N. C. Mar. 30. . . . Yachting: Dr. Luis Vidana's 67-ft. yawl "Criolo" (of Havana) was awarded the Governor's Cup as champion of the 1957 Southern Ocean Racing Conf. (announced in St. Petersburg, Fla. Mar. 28).

MISCELLANEOUS

Disasters & Accidents. Death toll in the 10-week Calcutta smallpox epidemic reached 946, it was reported Apr. 2. [See p. 68G2] . . . 40 persons drowned Mar. 28 when a ferry capsized in the flooding Tjitarum River, 40 miles east of Jakarta, Indonesia. . . . 17 Japanese laborers were killed in an avalanche at a road construction camp near Hokkaido Mar. 31. . . . At least 16 persons were killed & 235 injured Mar. 27 when an illegally stored dynamite cache blew up in Mexico City, leveling an entire city block. . . . 11 U.S. Navy men aboard a 2-engine Neptune bomber were killed Apr. 2 when the plane's power failed several minutes after taking off from Chincoteague (Va.) Naval Air Station. . . . A tornado cut a 21-mile path through Dallas, Tex. Apr. 2, killed 9 persons & injured more than 400. 197 homes were destroyed in one 13-block area. Other tornados in southern Oklahoma, near the Texas border, killed 2 people in Little City, one at Ardmore & another at Vernon. [See 24D-E3] . . . Spring snow storms Apr. 2 in Rocky Mountain states from Wyoming to New Mexico, described as the worst since 1935, caused 4 deaths. [See p. 104C1] . . . The CAB reported Mar. 30 that there had been 452 near collisions of civil & military planes carrying 4,429 persons during Sept.-Dec. 1956. 90% of the near misses took place in "controlled airspace" where pilots follow fixed flight patterns. [See p. 52D2]

Crime. Leon Marcus, 61, ex-acting bd. chrmn. of Chicago's Southmoor Bank & Trust Co., under federal indictment for misapplication of the bank's funds in connection with the Orville Hodge scandal, was shot to death in Chicago Mar. 31 by one of several men who had kidnapped him the same evening. In his pockets police found \$400,000 in checks and a receipt for a \$100,000 payment on a loan to underworld leader Sam (Mooney) Giancana. [See p. 104E2] . . . "Mad bomber" George Metesky was ordered by Judge John A. Mullen Mar. 29 in New York to stand trial despite psychiatric findings that Metesky was incapable of understanding the charges against him. [See p. 52B3] . . . Gordon T. Rowell, 24, who attempted to extort \$5,000 from Mrs. Beatrice Weinberger, mother of kidnapped Peter Weinberger, was sentenced in New York Mar. 29 to 2½-7 yrs. in prison. His accomplice, Robert Giebler, 27, received a 1-3 yr. sentence. [See Vol. XVI, p. 232F2] . . . Bernard Jacobs, model agency head, was sentenced in Philadelphia Apr. 2 to 5-10 yrs. in jail for luring young girls into vice. 17 others faced charges.